Energy Solutions

December 31, 2001

Report of Management

Management is responsible for the integrity of the financial data reported by NorthPoint Energy Solutions Inc (NorthPoint). Fulfilling this responsibility requires the preparation and presentation of financial statements and other data using management's best judgment, estimates and Canadian generally accounting principles.

Management maintains appropriate systems of internal control, including policies and procedures and an internal audit program which provides reasonable assurance that NorthPoint's assets are safeguarded and that financial records are relevant and reliable.

The Board of Directors, through the Audit and Finance Committee, ensures that management fulfills its responsibility for financial reporting and internal control. The Audit and Finance Committee consists of outside directors and at regular meetings reviews audit, internal control, and financial reporting matters with management, internal auditors and external auditors. The Audit and Finance Committee has reviewed the financial statements and submitted its report to the Board of Directors.

On behalf of Management,

Patricia Youzwa
Chief Executive Officer
February 8, 2002

Patricia Hall
Chief Financial Officer

Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan

We have audited the statement of financial position of NorthPoint Energy Solutions Inc. as at December 31, 2001and the statements of income and retained earnings and cash flows for the period from incorporation on October 17 to December 31, 2001. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2001, and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Regina, Canada
February 8, 2002

Chartered Accountants

NORTHPOINT ENERGY SOLUTIONS INC.
Statement of Financial Position
As at December 31, 2001

	2001
Assets	
Current Assets	
Cash	**$11,320,750**
Total Assets	**$11,320,750**
Liabilities and Equity	
Liabilities	
Accounts payable and accrued liabilities	**$ 453,736**
Due to SaskPower	**436,959**
Total Liabilities	**890,695**
Equity	
Share Capital (note 2)	**10,000,000**
Retained Earnings	**430,055**
Total Equity	**10,430,055**
Total Liabilities and Equity	**$11,320,750**

See accompanying notes

On behalf of the Board:

_____, John Wright, Chair

_____, V. Lynne Pearson, Director

NORTHPOINT ENERGY SOLUTIONS INC.
Statement of Income and Retained Earnings
For the two months ended December 31, 2001

	2001
Revenue	**$864,490**
Expense	
Salaries and benefits	294,992
Administration	139,443
Total Expense	434,435
Net Income and Retained Earnings, end of period	**$430,055**

See accompanying notes

Notes to the Financial Statements

As at December 31, 2001

NorthPoint Energy Solutions Inc. (the "Corporation") was incorporated pursuant to *The Business Corporations Act (Saskatchewan)* effective October 17, 2001 and began operations November 1, 2001. The Corporation is a wholly owned subsidiary of Saskatchewan Power Corporation ("SaskPower").

The financial results of the Corporation are included in the consolidated financial statements of SaskPower. The Corporation contributes to the long-term success of SaskPower by diversifying its revenue base.

As a subsidiary of a provincial Crown corporation, the Corporation is not subject to federal or provincial income tax.

1. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Corporate accounting policies and practices are subject to examination and approval by the Corporation's Board of Directors and SaskPower's Board of Directors.

The following accounting policies are considered significant:

(a) Revenue Recognition

The Corporation acts as an agent of SaskPower and is responsible for the performance of energy trading functions and for co-ordinating utility generation output. Commission revenue is recognized as the energy trades are conducted. Service revenue is recognized as earned.

(b) Foreign Currency Translation

Transactions denominated in a currency other than Canadian dollars are translated into Canadian dollars by applying exchange rates in effect at the transaction date. At year end, monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at that date. Any resulting foreign currency translation gains and losses are included in the statement of income in the current period.

2. Share Capital

The Corporation issued 10,000,000 Class A shares of capital stock for $10 million to SaskPower.

3. Pension Plans

All employees are members of either a defined contribution or a defined benefit pension plan. In accordance with the terms of the defined contribution plan (Public Employees Pension Plan) and the defined benefit plan (Power Corporation Superannuation Plan), the Corporation's obligations are limited to making regular payments to the plans to match contributions made by the employees for current services. Under the defined benefit plan, the member's pension is guaranteed by SaskPower regardless of the financial status of the plan. During the year, the Corporation contributed $12,612 to the defined contribution pension plan.

4. Related Party Transactions

Included in these financial statements are transactions with various Crown corporations, departments, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

Collection of receivables on behalf of SaskPower	$11,320,750
Re-imbursement of O,M&A expenses	403,944
Total Payable to SaskPower	11,724,694
Less:	
Note Receivable from SaskPower	10,000,000
Other	1,287,735
Total Receivable from SaskPower	11,287,735
Net Payable to SaskPower	$ 436,959
Revenue	$864,490

SaskPower provides certain management services to the Corporation for no consideration.

5. Statement of Cash Flows

A statement of cash flows has not prepared for the period ending December 31, 2001, as in the opinion of Management it would provide no additional information.